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SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION AT ENEL
PRODUZIONE RICERCA SPA - ERGA, PISA, ITALY

REF: USDOC 01214

1. FCS COMMERCIAL SPECIALIST BARBARA LAPINI (U.S. CITIZEN AND COMMERCIAL ASSISTANT ALESSANDRA GOLA CARRIED OUT POST-SHIPMENT VERIFICATION AT ENEL PRODUZIONE RICERCA SPA ON APRIL 28, 2003.

2. POST MET FOR APPROXIMATELY 2 HOURS WITH LUCA GUIDI, MANAGER OF AUTOMATION UNIT, AND MASSIMO GHIRONI, TECHNICIAN/RESEARCHER, BOTH WITH THE RESEARCH CENTER AT EN PRODUZIONE'S FACILITIES IN PISA, ITALY. THE MEETING BEGAN WITH A DISCUSSION OF THE ACTIVITIES CONDUCTED AT THE PISA FACILITY AND LED TO A DISCUSSION OF THE USE OF THE THERMAL IMAGING SYSTEM EXPORTED UNDER SUBJECT LICENSE. MR. GUIDI AND MR. GHIRONI SHOWED THE SYSTEM (KEPT IN A LOCKED CABINE IN MR. GHIRONI'S OFFICE AT THE RESEARCH CENTER) TO THE FCS OFFICIALS AND OFFERED A DETAILED EXPLANATION OF ITS USE FOR "PREVENTIVE MAINTENANCE", OR TO CHECK FOR OVERHEATING OF MACHINERY OR MATERIALS IN THE ENERGY PRODUCTION PROCESS. AS CONFIRMED BY CONVERSATIONS WITH THE MR. GUIDI AND MR. GHIRONI, ENEL IS ITALY'S LARGEST PRODUCER OF ELECTRICAL ENERGY, HAVING HAD A MONOPOLY ON ENERGY PRODUCTION IN ITALY UNTIL 2002 WHEN ITALY'S ENERGY MARKET WAS LIBERALIZED. EN REMAINS TWO-THIRDS ITALIAN STATE-OWNED WHILE ONE-THIRD IS NOW TRADED ON THE MILAN STOCK EXCHANGE AFTER A PARTIAL PRIVATIZATION PROCESS.

3. POST WAS ABLE TO SCHEDULE VISIT WITHOUT DELAY FROM OFFICIALS. MR. GUIDI PROVIDED DOCUMENTATION DETAILING THE USE OF THE THERMAL IMAGING SYSTEM SINCE ITS DELIVERY.

4. PCS OFFICIALS WERE ABLE TO VIEW ENEL'S FACILITIES IN ADDITION TO SEEING THE ACTUAL SYSTEM AND WHERE IT WAS KEPT. MR. GUIDI AND MR. GHIRONI WERE FAMILIAR WITH U.S. EXPORT REGULATIONS AND LICENSING REQUIREMENTS.

5. RECOMMENDATION: ALL INDICATIONS WERE THAT THE GOODS HAD BEEN USED IN ACCORDANCE WITH THE TERMS OF THE EXPORT LICENSE AND THAT ENEL PRODUZIONE RICERCA SPA CAN BE CONSIDERED A RELIABLE RECIPIENT OF SENSITIVE U.S. TECHNOLOGY.

(ORIGIN: FCS ROME/KWARE/BLAPINI)
SEMBLER

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